

E-002/GR-91-1 ORDER AFFIRMING DECISION OF ADMINISTRATIVE LAW
JUDGE

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson
Cynthia A. Kitlinski
Dee Knaak
Norma McKanna
Patrice M. Vick

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of the Application
of Northern States Power Company
for Authority to Increase Its
Rates for Electric Service in
the State of Minnesota

ISSUE DATE: June 26, 1991

DOCKET NO. E-002/GR-91-1

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ADMINISTRATIVE LAW JUDGE

PROCEDURAL HISTORY

On January 28, 1991, Northern States Power Company (NSP or the Company) filed a petition for authorization to increase its rates for electric service. The Company requested an annual rate increase of \$98,198,000, or approximately 8.1%. The Commission found that contested case proceedings were necessary and referred the matter to the Office of Administrative Hearings. That agency assigned Administrative Law Judge (ALJ) Richard C. Luis to hear the case.

On May 13, 1991, the Company filed with the ALJ a Motion to Update Filing. In that motion the Company asked permission to make adjustments to its prefiled financial data to include \$1,853,832 in Administrative and General expenses and \$3,774,000 in depreciation expense inadvertently omitted from its initial filing. The Company conceded any rate increase it was ultimately granted could not exceed the amount requested in its initial filing.

The Department of Public Service (the Department) filed a response objecting to the proposed adjustments. The Department argued that inadvertence was not sufficient reason for admitting the adjustments at this point in the case. The Residential Utilities Division of the Office of the Attorney General concurred in the Department's objections.

On June 13, 1991, Administrative Law Judge Luis issued an Order admitting the adjustments proposed by the Company. He found that no party would be prejudiced by admitting the adjustments and that admitting them would make the record more accurate and useful. The Administrative Law Judge certified the Motion and his decision on it to the Commission.

The matter came before the Commission on June 20, 1991.

FINDINGS AND CONCLUSIONS

The Commission agrees with the Administrative Law Judge that the two adjustments proposed by the Company should be admitted into the record. They were omitted from the initial filing purely through inadvertence. They were not controversial in nature. Their inclusion will not prejudice any party. In fact, their inclusion will provide a more accurate picture of test year expenses, aiding the Commission in determining just and reasonable rates.

The Commission appreciates the objecting parties' concerns about the obligation of utilities to present complete, coherent rate case filings. The Commission shares those concerns; it has enforced those obligations in the past and will continue to enforce them. Utility requests to correct, revise, update, or supplement rate case filings must be examined with care on a case by case basis.

At the same time, the Commission believes that however the adjustments in this case are characterized, they should be admitted into evidence. The goal of the rate case process is to arrive at just and reasonable rates. To do this, the Commission needs the most accurate and reliable information available. The Commission is therefore disinclined to exclude useful information on narrow technical grounds unless its inclusion raises problems of fairness or accuracy. None of the parties have claimed allowing these adjustments would make the record less accurate. None of the parties have claimed they would be prejudiced by having to examine the adjustments. Under these circumstances, the Commission will allow the adjustments at issue to come into the record.

ORDER

1. The Commission affirms the decision of the Administrative Law Judge to admit the adjustments discussed above into the rate case record.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)